Union of Myanmar
Form (2)
Sr. No. 11783
Dated 26.2.99
Myanmar Investment Commission

The Myanmar Investment Commission

PERMIT

Permit No. 320/99 Date 26th FEBRUARY 1999

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MR. A. MAZUMDAR

(b) Citizenship INDIAN

(c) Address C/O TIL LTD, 1, TARATOLA ROAD, CALCUTTA - 70000 24

(d) Name and address of principal organization TRACTOR INDIA LIMITED, C/O TIL LTD, 1, TARATOLA ROAD, CALCUTTA - 7000024

(e) Place of incorporation CALCUTTA, INDIA

(f) Type of business in which investment is to be made REBUILDING OF CATERPILLAR-MADE EARTH-MOVING EQUIPMENT, CONSTRUCTION EQUIPMENT, DIESEL GENERATOR SETS, MAINTENANCE & RENTAL OF CATERPILLAR EQUIPMENT TECHNICAL TRAINING TO

(g) Place (s) at which investment is permitted DAGON SEIKKAN INDUSTRIAL ZONE (1), YANGON

(h) Amount of foreign capital US$ 4.5 MILLION

(i) Period for bringing in foreign capital WITHIN (24) MONTHS FROM THE DATE OF INCORPORATION OF THE COMPANY

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 4.5 MILLION

(k) Permitted duration of investment 20 YEARS

(l) Name of the economic organization to be formed in Myanmar MYANMAR TRACTORS AND EQUIPMENT CO., LTD.

Chairman

The Myanmar Investment Commission

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၃၂၀/၉၉ ၁၉၉၉ ခုနှစ်၊ ဖေဖော်ဝါရီလ ၂၆ ရက်။

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် MR. A. MAZUMDAR

(ခ) မည်သည့်နိုင်ငံသား INDIAN

(ဂ) နေရပ်လိပ်စာ C/O TIL LTD, 1, TARATOLA ROAD, CALCUTTA - 7000024

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ TRACTOR INDIA LIMITED, C/O TIL LTD 1, TARATOLA ROAD, CALCUTTA-7000024

(င) ဖွဲ့စည်းရာအရပ် CALCUTTA, INDIA

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား CATERPILLAR စက်ယန္တရားများ ပြုပြင်တပ်ဆင်ခြင်း၊ ထိန်းသိမ်းခြင်းနှင့် ငှားရမ်းခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) ဒဂုံဆိပ်ကမ်း၊ စက်မှုဇုန် (၁)၊ ရန်ကုန်မြို့

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၄.၅ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကုမ္ပဏီဖွဲ့စည်းတည်ထောင်ပြီး (၂၄) လအတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်း ပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၄.၅ သန်းနှင့်ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့်သက်တမ်း ၂၀ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည် MYANMAR TRACTORS AND EQUIPMENT CO., LTD.

ဉက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

GOVERNMENT OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
653 691, Merchant Street, Yangon.

Our ref : Ya Ka-1/462/98(11783)
Dated : 26th February 1999

Tel : 272219, 272855
Fax : 095-01-282101

Subject : Decision of the Myanmar Investment Commission on the Proposal for "Rebuilding of Caterpillar-make, Earth Moving Equipment, Construction Equipment, Diesel Generator Sets, Maintainance & Rental of Caterpillar Equipment and Technical Training to Customers" under the name of "Myanmar Tractors and Equipment Co., Ltd.".

Reference: Ministry of Construction letter No. 5/Khwe(3)/98(Si 3885) dated 28-12-98.

1. The Myanmar Investment Commission, at its meeting 1/99 held on 1-1-99 had reviewed the proposal for investment in "Rebuilding of Caterpillar-make, Earth Moving Equipment, Construction Equipment, Diesel Generator Sets, Maintainance & Rental of Caterpillar Equipment and Technical Training to Customers" under the name of "Myanmar Tractors and Equipment Co., Ltd." submitted by Myanmar Tractors and Trading Co., Ltd. (MTTCO) and Tractor India Ltd. (TIL) of India as a wholly foreign owned investment. After careful review, it was deliberated that the proposed project be approved in principal for implementation and the proposal be submitted to the Cabinet meeting ... final approval.

2. The Cabinet, at its meeting 3/99 held on 14-1-99 resolved to permit the said project. He... the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of My... Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law ... and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 20(Twenty) years commencing from the signing of the Lease Agreement and extendible for another two terms of5(Five) years eac... mutual agreement between the Department of Human Settlement and Housing Developm... Myanmar Tractors and Equipment Co., Ltd. At the expiry of the leased period, Myanmar Trac... Equipment Co., Ltd. shall transfer the leased land and immovable properties on it wit... consideration to the Department of Human Settlement and Housing Development within 3... months in good condition, ground damages having been refilled or repaired.

4. Tractor India Ltd. or its subsidiary Myanmar Tractors and Trading Co., Ltd. shall provide a Performance Bank Guarantee to the amount of US $ 112,500 (United States Dollars One Hundred Twelve Thousand and Five Hundred Only) in favour of the Department of Human Settlement and Housing Development within 30(Thirty) days after the signing of the Contract regarding One Hundred Percent Foreign Investment.

5. The annual rent shall be US $ 3 (United States Dollars Three Only) per square meter per annum for the project area (24523.97 square meter) to the amount of US $ 73571.91 (United States Dollars Seventy Three Thousand Five Hundred and Seventy One and Ninety One Cent Only). The rent shall be reviewed every 5(Five) years and the increase of the rent shall not be more than 15(Fifteen) percent of the preceding annual rent.

6. Myanmar Tractors and Equipment Co., Ltd. shall pay for maintenance of the Industrial Zone management fee as prescribed by the Management Committee of the Industrial Zone.

7. In issuing this "Permit" the Commission has granted the following exemptions and reliefs :

(a) As per Section-21(a), exemption from income-tax up to three consecutive years from the year of commencement of commercial operation.

(b) As per Section-21(b), regarding exemption from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made. Myanmar Tractors and Equipment Co., Ltd. shall apply for such exemption only after 3-year tax holiday period.

(c) As per Section-21(c), Myanmar Tractors and Equipment Co., Ltd. shall be granted to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment. However, Myanmar Tractors and Equipment Co., Ltd. shall have to apply to the Commission such rates of depreciation.

(d) As per Section-21(e), Myanmar Tractors and Equipment Co., Ltd. shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abr and are employed in the enterprise and the right to deduct such payment from assessable income.

(e) As per Section-21(f), the Commission has also approved the right to pay income-t the income of the above-mentioned foreigners at the rates applicable to the citi residing within the country.

(f) As per Section-21(g), regarding the right to deduct from the assessable inco expenses incurred in respect of research and development relating to the enterpri are actually required and are carried out within the State, Myanmar Tractor Equipment Co., Ltd. shall apply, upon actual performance of such researc development programme, only after 3-year tax holiday period.

(g) As per Section-21(h), regarding right to carry forward and set-off up to three con years from the year the loss is sustained following the enjoyment of exemption income-tax, Myanmar Tractors and Equipment Co., Ltd. shall file the case, if any, to Ministry of Finance and Revenue in acoordance with Section-4 of the Income Tax Amendment Law, 1991.

(h) As per Section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which they are imported as they are actually required for use during the period of construction.

(i) As per Section-21(j), exemption from customs duty and all other internal taxes on such raw materials and additional import of machinery, equipment and spare parts, which are actually required for the business shall be granted within three years of commercial operation following the period of construction. However, such imports shall be subject to the approval endorsed by the Ministry of Construction.

8. The Department of Human Settlement and Housing Development shall have to sign One Hundred Percent Foreign Investment Contract with Tractor India Ltd. and shall also have to sign Lease Agreement with the Myanmar Tractors and Equipment Co., Ltd. After signing such Agreements, (5) copies each of those shall have to be forwarded to the Commission.

9. Myanmar Tractors and Equipment Co., Ltd. in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

10. Myanmar Tractors and Equipment Co., Ltd. shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

11. The official date of operation shall be reported to the Commission.

12. Myanmar Tractors and Equipment Co., Ltd. shall endeavour to meet the targets for production stated in the proposal as the minimum target.

13. The Commission approves periodical appointments of foreign experts and technicians f[illegible] abroad as per Proposal. Myanmar Tractors and Equipment Co., Ltd. shall have to con[illegible] Directorate of Labour, Ministry of Labour for appointment of such foreign experts and techn[illegible]

14. In order to evaluate foreign capital in terms of Kyats and for the purpose of its regis[illegible] accordance with the provision under Section-24 of the Union of Myanmar Foreign Investn[illegible] is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the n[illegible] documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section-2[illegible] said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluati[illegible] Committee.

15. Whenever Myanmar Tractors and Equipment Co., Ltd. brings in foreign capital defined unde[illegible] Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 14(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

16. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure(1)].

17. Myanmar Tractors and Equipment Co., Ltd. shall report to the Commission of any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

18. Myanmar Tractors and Equipment Co., Ltd. shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94(0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

19. Myanmar Tractors and Equipment Co., Ltd. shall follow the procedures prescribed by the Commission, vide letter No. Ya Ka-7/408/94(0424) dated 29-6-94 [Annexure(3)] to expedite the clearance of imports of capital and inter-industry use goods brought in as capital investment and raw materials required during the initial 3-year operation period.

20. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Myanmar Tractors and Equipment Co., Ltd..

21. Myanmar Tractors and Equipment Co., Ltd., in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to Union of Myanmar Foreign Investment Law.

By Order,

Brig-Gen Maung Maung
Secretary

Mr. A Mazumdar
Tractor India Ltd.
c/0 Director General
Department of Human Settlement and Housing Development

cc:
1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Office of the Strategic Studies, Ministry of Defence
5. Ministry of National Planning and Economic Development
6. Ministry of Finance and Revenue
7. Ministry of Commerce

8. Ministry of Construction
9. Ministry of Foreign Affairs
10. Ministry of Home Affairs
11. Ministry of Immigration and Population
12. Ministry of Labour
13. Ministry of Electric Power
14. Chairman, Committee for Assisting the Myanmar Investment Commission (Governor, Central Bank of Myanmar)
15. Chairman, Foreign Capital Evaluation Sub-Committee (Director General, Central Equipment Statistics and Inspection Department)
16. Director General, Directorate of Investment and Company Administration
17. Director General, Customs Department
18. Director General, Internal Revenue Department
19. Managing Director, Myanma Foreign Trade Bank
20. Managing Director, Myanma Investment and Commercial Bank
21. Managing Director, Myanma Insurance
22. Managing Director, Myanma Electric Power Enterprise
23. Director General, Directorate of Trade
24. Director General, Immigration and National Registration Department
25. Director General, Directorate of Labour
26. Chairman, Union of Myanmar Chamber of Commerce and Industry